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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/923,702	08/07/2001	Fumitake Yodo	SONYJP 3.3-1245 DIV I	1747
530 7590 09/09/2008 LERNER, DAVID, LITTENBERG, KRUMHOLZ & MENTLIK 600 SOUTH AVENUE WEST WESTFIELD, NJ 07090			EXAMINER BUCHANAN, CHRISTOPHER R	
			ART UNIT 3627	PAPER NUMBER
			MAIL DATE 09/09/2008	DELIVERY MODE PAPER

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1 RECORD OF ORAL HEARING
2
3 UNITED STATES PATENT AND TRADEMARK OFFICE
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5
6 BEFORE THE BOARD OF PATENT APPEALS
7 AND INTERFERENCES
8

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10 Ex parte FUMITAKE YODO
11

12
13 Appeal 2008-0274
14 Application 09/923,702
15 Technology Center 3600
16

17
18 Oral Hearing Held: July 8, 2008
19
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21
22 Before MURRIEL E. CRAWFORD, LINDA E. HORNER, and
23 MICHAEL W. O'NEILL, Administrative Patent Judges
24

25
26 ON BEHALF OF THE APPELLANT:
27

28 Andrew T. Zidel, Esquire
29 Lerner, David, Littenberg, Krumholz & Mentlik, LLP
30 600 South Avenue West
31 Westfield, NJ 07090
32
33

34 The above-entitled matter came on for hearing on November 15, 2007, at the
35 U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia,
36 before Dominico Quattrociocchi, Free State Reporting, Inc.

PROCEEDINGS

MS. BOBO-ALLEN: Good afternoon. Calendar No. 10, Appeal No. 2008-0274, Mr. Zidel.

JUDGE CRAWFORD: Good afternoon.

MR. ZIDEL: Hi there. Should --

JUDGE CRAWFORD: You can start, yep, whenever you're ready.

MR. ZIDEL: All right, good afternoon. My name is Andrew Zidel, and I'm here from Lerner, David, Littenberg, Krumholz & Mentlik of Westfield, New Jersey. I'm here on behalf of Sony Corporation, who's the assignee of the application on appeal, and Mr. Yodo, who's the inventor in this case.

Before I go into the points I want to make on the appeal specifically, I just wanted to update you on a couple of the family members that are in this patent family. There was a parent case, which is Application No. 09/600,509. There was an appeal in that case that was heard back in October of last year. That was Appeal No. 2007-3875. And based on that appeal, the objections were withdrawn, notice of allowance was issued, and I believe the issue fee was paid back in June in that case. And also, there is a sibling application, which is Application No. 09/923,618. I guess when the appeal brief was filed in the instant case, that case had not been assigned an appeal number. The appeal number for that case is 2008-0902. And I guess as of last month, the status was that the case was remanded to the examiner for a information disclosure statement. So at this point, I'm not sure what the hearing date is scheduled for that one, but that case still remains on appeal.

1 JUDGE CRAWFORD: Did you request a hearing in that one?

2 MR. ZIDEL: I'm sorry?

3 JUDGE CRAWFORD: Did you request a hearing in that one?

4 MR. ZIDEL: I believe so, but I'm not 100 percent certain. Okay. I
5 guess there's really just a couple of issues that I wanted to focus on in the
6 hearing, but before I do that, if there's any question that you had about
7 anything in the claim or in the rejection, I'd be happy to address those.

8 JUDGE CRAWFORD: I think you're going to get to my question. I
9 was wondering, in the last clause, what -- well, the next to the last clause of
10 claim 9, how you're interpreting --

11 MR. ZIDEL: All right, when did --

12 JUDGE CRAWFORD: Um-hum.

13 MR. ZIDEL: Okay. That was the focus of what I wanted to --

14 JUDGE CRAWFORD: That's the -- yeah.

15 MR. ZIDEL: I think maybe the best way to start looking at it is to
16 turn to the figures just to sort of get some background. If you look at figure
17 1 of the application, it shows a system including a terminal device, which is
18 labeled no. 10, and accounting center, which is labeled no. 1. There is also a
19 portable device, which is labeled no. 50, which is shown next to the terminal
20 device. And if you look at figure 2, which just focuses on the terminal
21 device and the portable device, it shows that they're -- the terminal device
22 can receive the portable device. There's a receptacle labeled MT and a
23 connector labeled 27 in figure 2.

24 And so, what's happening in the claim, and in the context of the
25 application in general, is that the user who has this portable device, which is
26 labeled no. 50 in figure 2, can have music or other content stored on that

1 device, but then they may need to connect it to a terminal device in order to
2 get access to that content.

3 JUDGE CRAWFORD: How did they get the music on there?

4 MR. ZIDEL: I mean, they can download it, let's say, wirelessly via a
5 BlueTooth connection or wire it through some other physical connection to,
6 let's say, another -- a computer or, you know, to a LAN or a network or
7 something like that.

8 JUDGE CRAWFORD: Okay.

9 MR. ZIDEL: So somehow, the content gets delivered onto the
10 portable device --

11 JUDGE CRAWFORD: But they can't listen to it yet?

12 MR. ZIDEL: I'm sorry?

13 JUDGE CRAWFORD: They can't listen to it yet?

14 MR. ZIDEL: Right, they can't listen to it. They don't have access yet,
15 or they may not have access to certain content but they may have access to
16 other content. And so, they can connect that portable device to the terminal
17 device and -- you know, the way this clause reads, you know, when the
18 detector detects that the portable device is connected to the terminal device,
19 the first controller updates attributes of information. And one of the
20 examples that's in the brief is a use permission flag, and that's stored in the
21 storage medium of the portable device, and it says, "From an unavailable
22 state to an available state after the accounting points are updated correctly."

23 And there's a few examples in the specification that sort of walk
24 through what's going on. And -- to look at that, turn to figure 14, which is a
25 flow diagram, and figure 14 talks about point processing of CPU 11 related
26 to portable device. And I just want to read briefly from the specification,

1 because it may shed some light on your question. Page 57 of the
2 specification talks about, in the third, beginning of the third paragraph, it
3 says, "Subsequently, at step S-86," which is the last step in figure 14, it says,
4 "the CPU 11 regards that the fee has been paid for the file in the use
5 prohibition state stored on the HDD-54, the hard disk drive 54, of portable
6 device 50 and sets the information use permission flag in the on state, that is
7 the use permission state. Specifically, the CPU 11," which happens to be the
8 CPU of the terminal device, "sets the information use permission flag in the
9 on state by directly accessing the HDD-54 or through CPU 51." And CPU
10 51 is the CPU of the portable device. Then it says, "Thus, the user can use
11 the chargeable information downloaded to the portable device."

12 So in that example, what's happening is you have the information
13 stored on the portable device that the user does not yet have access to.
14 When it connects to the terminal device, the terminal device goes through
15 this process of seeing if there's a file, or let's say content, on the portable
16 device. Let's go back to the claim. And it updates the attributes of the
17 information stored on the storage medium of the portable device. And that's
18 what it explains in the paragraph I just read, where the CPU sets the
19 information use permission flag in the on state, in this example, by directly
20 accessing the hard disk drive 54, or through the CPU 51 of the portable
21 device. And then the specification explains earlier on that one of the goals is
22 now the user can access the content that's on the portable device. And in
23 that example, you didn't have to download everything to the terminal device
24 in order to access it. So you can -- the user can access the information on
25 the portable device.

1 And in the rejection, you know, going through the -- I believe it's the
2 three or four office actions that dealt with this particular issue in the Peterson
3 reference, the examiner basically said that that clause is intended use and it
4 has no patentable weight, and it would appear that he basically ignored it
5 when doing his analysis. And I don't think you can just ignore this clause,
6 because it explains how the controller actually operates when a given
7 condition happens, and the condition is when the portable terminal -- when
8 the portable device is received or connected to the terminal device. And,
9 you know, in looking through the Peterson reference, you know, I don't see
10 anything that does what that clause requires in the claim.

11 JUDGE CRAWFORD: Well, now, when you put the DVD in, in
12 Peterson, it's somehow detected that the DVD is in, and it can update the
13 accounting information so that the stuff on the DVD becomes available. So
14 what are you saying that's not there?

15 MR. ZIDEL: Well, I guess my question in looking at the, you know,
16 the office actions and both the first and second examiner's answers, it's not
17 clear to me what the examiner considered this portable device actually was.
18 Because it seemed like in the office action and in the examiner's answers,
19 they basically lumped, I guess, the -- I want to get the terminology right, the
20 -- you know, element 14, which was the processor or controller, the medium
21 reader, 12, and the medium 10 all as sort of one device. Because I know that
22 in the most recent examiner's answer they pointed to this part of the memory
23 79 of the medium and said that that was the second memory of the terminal
24 device.

25 And so one of the issues that I was trying to understand in the
26 examiner's answer is what do they consider constitutes the terminal device?

1 Is it all these components, the controller, the medium reader and the
2 medium? Because they're relying on the medium as being the second
3 memory of the terminal device. Or are they saying that the medium is a
4 separate thing and that's your, you know, portable device. And then my
5 question would be, well, what would be the second memory of the terminal
6 device in that case?

7 JUDGE CRAWFORD: Okay, 14 and 12 are coupled together, right?

8 MR. ZIDEL: Right, 14 and 12 are coupled together.

9 JUDGE CRAWFORD: And 10 is a portable device.

10 MR. ZIDEL: Right, 10 is some storage medium, a DVD, or I think
11 CD-ROM they use as another example. And so, if we go under the
12 assumption that what they meant was that, you know, 10 and -- or 12 and 14
13 are the terminal device, and 10 is the personal device, or the portable device,
14 then, you know, looking back at the other elements of the claim, you know,
15 we have, you know, the first memory configured to store accounting points,
16 and a second memory configured to store distributed information distributed
17 from an external source.

18 So, you know, looking at those two limitations with those two
19 different memories, you know, I'm looking at what the examiners said, the
20 two different examiners' answers. I'm not sure what the second memory
21 would be in Peterson if you say that the medium 10 is actually, you know,
22 the portable device.

23 JUDGE CRAWFORD: You're saying --

24 MR. ZIDEL: Right, I'm looking at --

25 JUDGE CRAWFORD: Second memory 70.

1 MR. ZIDEL: Right, in the Examiner -- in the most recent examiner's
2 answer, which was from, I guess, March 29th of 2007, on page 3 of the
3 examiner's answer --

4 JUDGE CRAWFORD: Right.

5 MR. ZIDEL: -- down at the last paragraph at the bottom of the page,
6 it says a second memory, and in parentheses, within medium 70 EG 79,
7 which is -- if you look at figure 3 of Peterson, that's what is in the medium,
8 and I think that's consistent with what was in the first examiner's answer.

9 JUDGE CRAWFORD: Right, and that's in the -- oh, you're saying
10 that would have been in the portable device.

11 MR. ZIDEL: Right. And that's what I was struggling with looking at
12 the examiner's answer. I'm not sure what they -- you know, it looked like
13 they were picking and choosing different pieces of Peterson to fit elements
14 of the claim, but not consistently. So, you know, even though the portable
15 device is not, you know, expressly a limitation of the claim, it causes the
16 controller, the first controller to act in a certain way when it's connected to
17 the terminal device.

18 And then, you know, looking back at, you know, this clause again,
19 you know, when it says the first controller updates attributes of information
20 like the use permission flag stored in the storage medium of the portable
21 device, and looking at the example that I read before in the specification,
22 you know, it's the controller of the terminal device, in this example, you
23 know, CPU 11, that it says, you know, sets the information use permission
24 flag into an on state, you know, by either directly accessing the hard disk
25 drive of the portable device or by going through the CPU of the portable

1 device. So it's sending information back to the portable device in order to
2 set this use permission flag.

3 JUDGE CRAWFORD: And you're saying you claimed that?

4 MR. ZIDEL: Well, I'm saying that the way the claim reads, it says,
5 "The first controller updates attributes of information stored in the storage
6 medium of the portable device from an unavailable state to an available
7 state." And I think if you read that consistently with the examples in the
8 specification, the controller of the terminal device, like the CPU 11, is, you
9 know, sending this attributive information, this use permission flag, and, you
10 know, at least in that one example that I read, it's doing it by sending
11 information or writing information to the portable device, which I don't think
12 is how Peterson operates.

13 It seems that Peterson just reads information off of the medium,
14 whether it's a DVD or a CD-ROM or what have you, and then on the
15 terminal device, it says, okay, do we have, you know, enough money, is the
16 time window okay, and if so, now we're going to decrypt the information
17 that was stored on the portable device, and after we decrypt it, we're just
18 going to send it out. And then, you know, looking at figure 3 of Peterson, it
19 sends it out through this element 99 to some other external device, which it
20 doesn't ever explain what that is. It just sends it out to some other device,
21 maybe it's headphones or something else. But I don't think that's teaching
22 what we're claiming here.

23 JUDGE CRAWFORD: And the exact claim language that you're
24 talking about is?

25 MR. ZIDEL: The exact claim language is, after that first part of when
26 the detector detects, it says, "The first controller updates attributes of

1 information stored in the storage medium of the portable device from an
2 unavailable state to an available state," and then after the accounting points
3 are updated correctly.

4 JUDGE CRAWFORD: And so, how is that different from what
5 Peterson's doing when it's telling you, you can view this now after you've
6 gone through the authorization window?

7 MR. ZIDEL: Well, I guess my answer would be, I don't think that it's
8 having its controller update the attributes of the information stored in the
9 storage medium of the portable device from the unavailable state to the
10 available state after the accounting points are updated correctly.

11 JUDGE CRAWFORD: It seems like it is. It seems like it's on the
12 DVD and you can't view it until you stick it in and then you pay some
13 money and then it's authorized. So it goes from an unavailable state to an
14 available state.

15 MR. ZIDEL: Well, I think, at least the way I was understanding
16 Peterson, is that -- I'm just trying to look at my copy -- is that when it reads
17 the information off of the DVD, it checks the, some of the parameters that
18 are stored in the medium, like the usage limit and the time limit. And if
19 those are valid, then it says do I have enough prepaid funds, which is the
20 element 91, you know, to access it. And if so, then it will read the
21 information and decrypt it and then send it out. But if not, then it doesn't,
22 you know, it doesn't authorize it. You know, if it doesn't meet those two
23 criteria, for example, the usage limit or the time limit, it's not going to, at
24 least the way I read it, it's not going to look at the prepaid funds because it
25 doesn't have to, because they're not, you know, not in the right time window
26 or you've used up the number of usages you're permitted, and then, you

1 know, you're not just able to access the content. But assuming that you get
2 through those parameters, you've satisfied those conditions, then you can
3 look to see do we have enough prepaid funds in the, I guess in the removable
4 card.

5 JUDGE CRAWFORD: And then doesn't it -- so then it makes it an
6 available state.

7 MR. ZIDEL: Well, I think it -- I'm trying to think of the best way to
8 explain it. I think it's already in -- at least the way I look at it, I think it's
9 already in an unavailable state to begin with, and then once it meets those
10 conditions, then it's made available. But, you know, maybe the better way to
11 explain it is, in our claim, where it says, "The first controller updates the
12 attributes of information stored in the storage medium of the portable device
13 from the unavailable state to the available state after those accounting points
14 are updated correctly," it's checking what's in the portable device. And then
15 we have these -- the accounting points that are processed locally on the
16 terminal device, and then if you've satisfied the criteria, there's, you know,
17 there's enough accounting points, then you're going to put information back
18 onto the portable device, where it says you can update the attributes of
19 information stored in the storage medium. And then once you do that, now
20 the person who has that portable device can access that content on the
21 portable device.

22 JUDGE HORNER: So you're reading that limitation, the -- limitation
23 of claim 9 to require the first controller to write something into the memory
24 of the portable device?

25 MR. ZIDEL: Either to write something or to send --

26 JUDGE HORNER: Or to send a flag.

1 MR. ZIDEL: -- or to send some indicator that says, okay, now
2 portable device -- or it says -- you know, in the example in the specification,
3 you know, it either writes directly to the hard disk drive or directly accesses
4 the hard disk drive of the portable device, or through the CP 51 of the
5 portable device. It provides some indication in the portable device, okay,
6 this content is now available, this use permission flag --

7 JUDGE HORNER: When you say provides some indication, do you
8 mean like setting a flag?

9 MR. ZIDEL: Right, there's a use permission flag that's talked about, I
10 guess, in a couple of different contexts in the application. One is, you know,
11 on the terminal device, and the other one would be in the portable device.
12 And, you know, one of the things that's talked about in the, you know, in the
13 background or in the description of the application is that one of the benefits
14 of doing that is that you can now access that content on the portable device.

15 You know, I'm looking at the bottom of page 30 and the top of page
16 31 of the specification. It says, "The chargeable information recorded on the
17 hard disk drive 54 in the portable device 50 can be shifted to the hard disk
18 drive 15 of the recording and reproducing device 10." So it can be
19 transferred to the terminal device, in one example, or -- and made available
20 there, or then it says, "Or it can be used or reproduced as it is stored on the
21 hard disk drive 54 of the portable device 50." And I think that example is
22 consistent with the description of the flow diagram in figure 14, and also
23 figure 10, where you're doing this, you know, updating the attributes of the
24 information stored in the storage medium. I think the way I'm reading it is
25 the way that you had said, it provides some indication, like the use

1 permission flag, to the portable device to make that content accessible on the
2 portable device.

3 JUDGE HORNER: And Peterson would have no reason to do that
4 because it's providing the content -- you can only view the content through
5 the controller and medium reader?

6 MR. ZIDEL: Right, the way --

7 JUDGE HORNER: You can't read -- you can't view that information
8 on the medium itself?

9 MR. ZIDEL: Right. I think the way Peterson is configured, you
10 know, you're reading the information off of the DVD or whatever other
11 medium you have, and then assuming that you meet all those other criteria,
12 you know, like we said, the time window is okay and there's -- you know,
13 the usage limit hasn't been exceeded and you've got enough prepaid funds,
14 then you're going to do the decryption in the -- you know, using the
15 processor of controller 86, let's say. And then once you've decrypted it, now
16 you're going to send it back out through this output arrow 99, and it goes out
17 to some other thing; it doesn't go back to the medium. There's nothing being
18 put onto the medium that says, okay, the user can access the medium
19 directly, you know, or listen to the content from the medium as opposed to
20 the way it's provided, which it's sent out through this element 99 to some
21 other entity.

22 Any other questions on that?

23 JUDGE CRAWFORD: No.

24 MR. ZIDEL: All right.

25 JUDGE CRAWFORD: Thank you.

1 MR. ZIDEL: That was the main point I wanted to make. Thank you
2 very much. I appreciate it.

3 REPORTER: Can I get the spelling of your last name, please?

4 MR. ZIDEL: Sure. The last name is Z --

5 REPORTER: Okay.

6 MR. ZIDEL: I.

7 REPORTER: Okay.

8 MR. ZIDEL: D.

9 REPORTER: D?

10 MR. ZIDEL: Yeah, D, as in David.

11 REPORTER: Okay.

12 MR. ZIDEL: E-L, as in Larry. Actually, I have a card -- too.

13 REPORTER: Okay, that would be perfect. All right. Thank you very
14 much.

15 MR. ZIDEL: Thanks.

16 (Whereupon, the proceedings concluded on July 8, 2008.)